

Message Text

CONFIDENTIAL

PAGE 01 MADRID 02762 121838Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 DODE-00 PM-04 H-01
L-03 NSC-05 PA-01 PRS-01 SS-15 /085 W
-----130252Z 040761 /73

R 121651Z APR 77
FM AMEMBASSY MADRID
TO SECSTATE WASHDC 9757
INFO AAMEMBASSY LISBON 2626
AMEMBASSY PARIS
US OECD PARIS

C O N F I D E N T I A L MADRID 2762

E.O. 11652: GDS
TAGS: EFIN, EGEN, PFOR, SP
SUBJECT: SUPPRESSION OF SPANISH COST OF LIVING STATISTICS

REF: MADRID 2598

1. WHILE CONTINUING TO RESIST THE OFFICIAL RELEASE OF COST OF LIVING STATISTICS FOR THIS YEAR (SEE MADRID 2598), THE SPANISH GOVERNMENT HAS NOW PUBLICLY DENIED ANY SUCH INTENTION. THE APRIL 7 MADRID NEWSPAPERS CARRY A "NOTE" FROM THE PRESIDENTIAL SUBSECRETARIAT DENYING ANY QUOTE INTENT TO HIDE OR TERGIVERSATE THE DATA PREPARED BY THE (NATIONAL STATISITICAL) INSTITUTE, AN ORGAN WHOSE NEUTRALITY AND INDEPENDENCE...END QUOTE THE GOVERNMENT WILL RESPECT.

2. THE NOTE CONTAINS JANUARY INFLATION FIGURES USING THE NEW "CONSUMER PRICE INDEX" AND THE OLD "COST OF LIVING" INDEX. HOWEVER, THE NOTE STATES THESE FIGURES ARE NOT YET "PUBLISHED," AND THEREFORE NOT OFFICIAL. THE EYE-CATCHING FIGURE -- 3.03 PERCENT INFLATION IN JANUARY, ACCORDING TO THE NEW INDEX -- HAD ALREADY BEEN LEAKED AND
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MADRID 02762 121838Z

PICKED UP EVEN BY CIFRA, THE OFFICIAL PRESS AGENCY.

3. THE PURPOSE OF THE PRESIDENCY NOTE -- ASIDE FOM ITS DEFENSIVE CHARACTER -- IS TO REVIVE THE 1968-BASE STATISTIC. QUOTE THE PREPARATION OF THE COST OF LIVING INDEX, BASE 1968, HAS CONTINUED BECAUSE ITS MAINTENANCE WAS CONSIDERED NECESSARY END QUOTE. THE OLD INDEX

WAS REPLACED AS THE OFFICIAL STATISTIC BY A FEBRUARY 23 DECREE, AND NO DATA FOR THE OLD INDEX WAS COLLECTED IN THE BEGINNING OF THIS YEAR. IT SEEMS, THEREFORE, THAT THE GOVERNMENT IS BACKTRACKING SOMEWHAT ON ABANDONING THE OLD INFLATION SERIES (WHICH SHOWED LOWER INFLATION RATES).

4. IN ORDER TO COME UP WITH AN OLD-INDEX STATISTIC FOR JANUARY, THE GOVERNMENT ORDERED THE COLLECTION OF DATA IN LATE FEBRUARY AND MARCH AND ESTIMATED A VALUE FOR JANUARY: 2.39 PERCENT. IT IS NOT CLEAR WHAT USE THE GOVERNMENT WILL MAKE OF THIS STATISTIC, ALTHOUGH PRESUMABLY THE GOVERNMENT AT LEAST HOPES TO SHOW THAT INFLATION IS NOT ACCELERATING TO THE EXTENT THAT THE CHANGE OF INDICES MIGHT LEAD ONE TO BELIEVE.

5. AN ADDITIONAL NEW INDEX RELEASED BY THE PRESIDENCY - 1.25 PERCENT INFLATION IN JANUARY FOR 23 CONTROLLED BASIC COMMODITIES - IS INTENDED TO SHOW THAT THE GOVERNMENT IS NOT FAILING COMPLETELY IN ITS VERY LIMITED PROGRAM OF PRICE CONTROLS.

6. TECHNICAL NOTE: THE 1968-BASE STATISTICS ARE LOWER THAN THE 1976-BASE FIGURES BECAUSE THE WEIGHTINGS OF A CONSUMER BASKET OF GOODS HAVE BEEN CHANGED TO REFLECT MODERN CONSUMPTION PATTERNS. IN SO DOING, THE BASKET WAS INCREASED FROM 255 TO 378 ITEMS. THE ONLY NOVELTY OF THE 1976-BASE BASKET
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MADRID 02762 121838Z

IS THE INCLUSION OF FAMILY PURCHASE REPEAT PURCHASE OF RESIDENTIAL PROPERTY. WHILE THIS IS NOT DONE IN SOME OTHER EUROPEAN INDICES, SPANIARDS CONSIDERED THE FACT THAT THE PREFERENCE HERE IS TO PURCHASE, NOT RENT, HOUSING. STABLER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PUBLICATIONS, COST OF LIVING
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MADRID02762
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770127-0430
Format: TEL
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770466/aaaacfma.tel
Line Count: 102
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9946bda6-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 MADRID 2598
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2833850
Secure: OPEN
Status: NATIVE
Subject: SUPPRESSION OF SPANISH COST OF LIVING STATISTICS
TAGS: EFIN, EGEN, PFOR, SP
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/9946bda6-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009